



Lean 6-Sigma Program



State Water Resources Control Board

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Contract Process Improvement Project

Problem Statement: Delays in contract execution significantly impacts the Water Board's ability to carry out mission critical work and can result in loss of funding at fiscal year end.

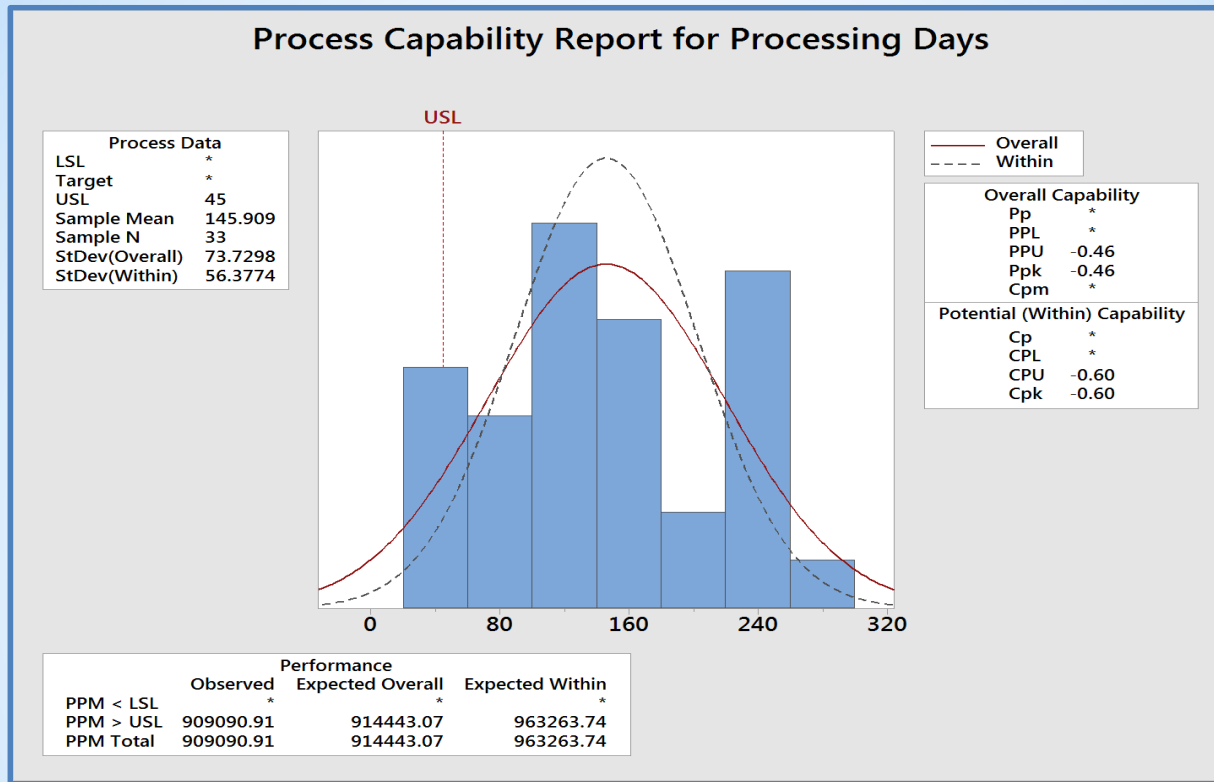
Objective: To reduce contract execution time so that 95% of contracts are executed within 45 calendar days.

❖ **Project Team:**

- ❖ *Jason Baker– Customer Subject Matter Expert*
- ❖ *Ellen Harrison– Acquisition Subject Matter Expert*
- ❖ *Amber Schaffner – Acquisition Subject Matter Expert*
- ❖ *Daron Terry – Acquisition Subject Matter Expert*

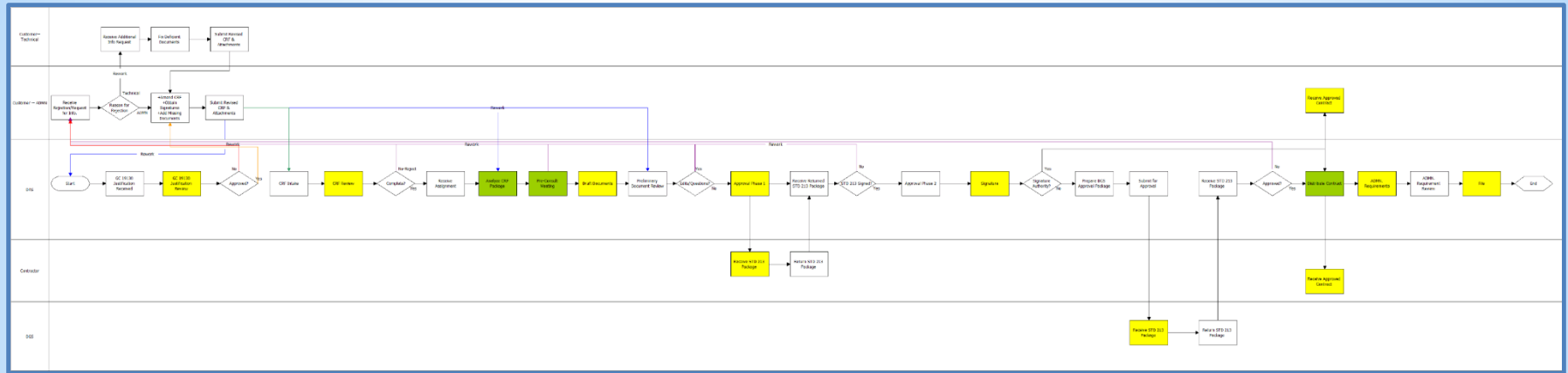


Baseline Capability



- ❖ Current Mean – 145 days
- ❖ Within Spec – less than 4%

Initial Process Map



- ❖ 27 Non-Value Added Steps
- ❖ 3 Value Added Steps
- ❖ 11 Legally Required Steps
- ❖ Some Steps Occur Several Times Due To Re-Work Loops

Analysis Tools

- ❖ Fishbone Diagram
- ❖ FMEA
- ❖ ANOVA – 2 way
- ❖ Pareto Chart
- ❖ Load Chart
- ❖ Time Analysis

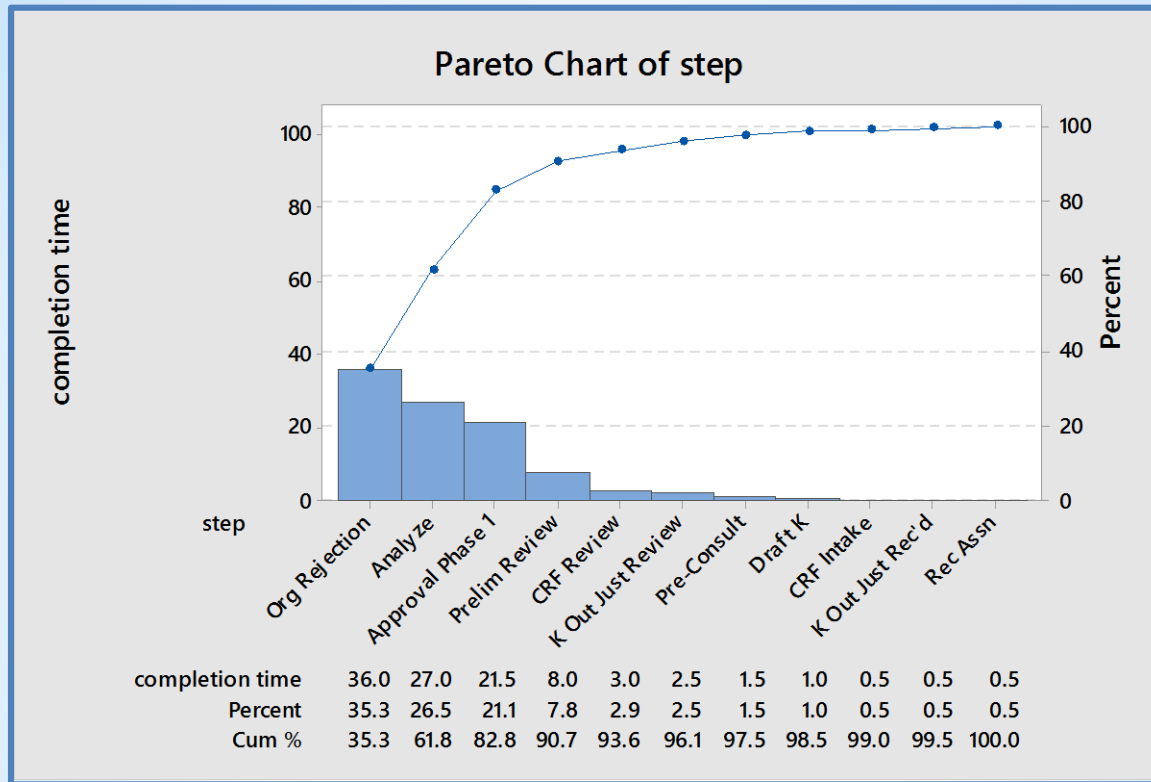
Key Analytical Finding 1

FMEA

Critical X	Risk/Impact	RPN Score
Deficient Scope of Work	Illegal contract; deficient work; gift of public funds; time delay	800
Contracting Out Justification	Illegal contract; overturned contract; time delay	720
Deficient Budget	Illegal contract; mismanagement of public dollars; time delay	648

- ❖ Highest rated “critical X’s” have significant risk, and
- ❖ Create lengthy rework loops in the process

Key Analytical Finding 2



- Bottleneck #1: Customer – addressing “input” deficiencies
- Bottleneck #2: Contract Analyst– analysis due to “input” deficiencies
- Bottleneck #3: Contract Approval– Contractor Signature

Critical X's (root causes of problems)

❖ Scope of Work

- ❖ Lack of understanding and/or willingness to ensure details satisfy statutory requirements, and
- ❖ Unclear on how to measure performance of the Contractor

❖ Contracting Out Justification

- ❖ Insufficient detail supporting authority to secure services outside of State Government
- ❖ Requesters are confused and unclear about the statutory requirements

❖ Budget

- ❖ Lack of understanding and/or willingness to ensure details satisfy statutory requirements, and
- ❖ Unsure how to ensure the department only pays for services rendered at a fair and reasonable rate



Improvement Techniques

“Take Control of the Process”

- Centralized Face-to-Face Intake
 - No longer accept submittals from the customer
 - Mistake-proof request form/data entered by process owner
 - Develop standard operating procedures
 - Creation of a work hub with administrative experts
- Exhibit Development Meeting
 - Scheduled by process owner
 - Attendance and contribution is mandatory
 - Standard expectations and operating procedures
 - Follow-up action items must be completed within 5 working days



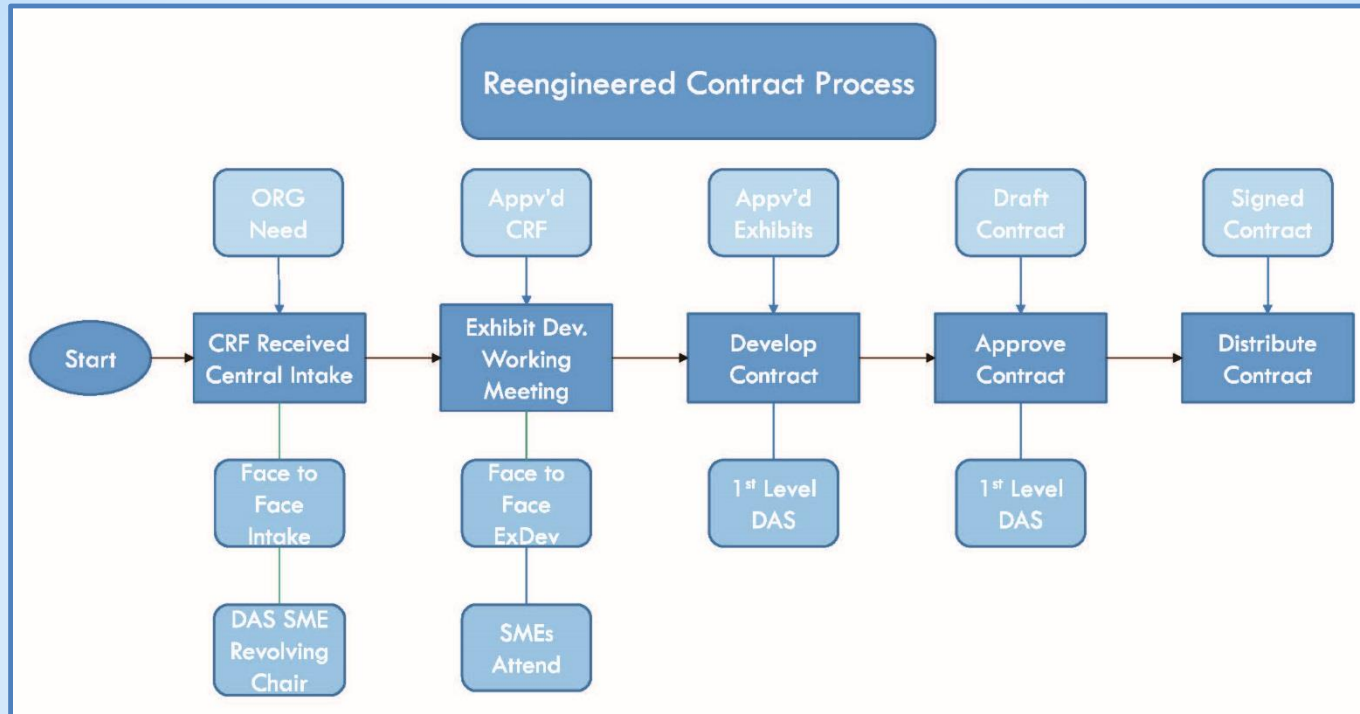
Improvement Techniques Cont.

“Take Control of the Process”

- Contract Development
 - Mistake-proof contract documents
 - Standard operating procedures
 - Standard agency templates (pre-negotiated with contractor entities)
 - Delegate signature to lowest responsible level
- Contract Approval
 - Agreement approval delegated to first level management
 - Standard operating procedures
 - Contractor “pre” buy-in on approval timeframes

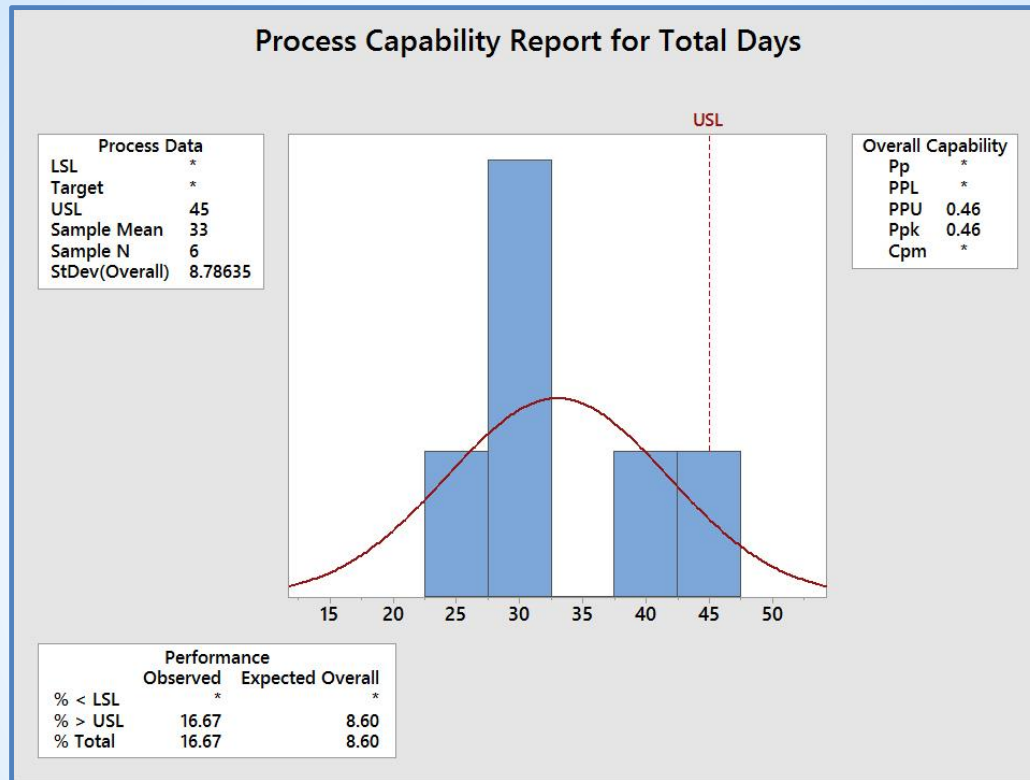


New Process Map



- ❖ Eliminated all NVA process steps
- ❖ Rolled legally required steps into work group activities
- ❖ Eliminated “rework” loops by using face-to-face work groups

New Capability Analysis



- ❖ New Process Mean (pilot test data) – 33 days
- ❖ Percentage Within Spec – 91.4%

Implementation Plan

❖ Implementation

- ❖ Transition implementation and control plan to process owner
- ❖ Identify action items to be completed by process owner prior to implementation
 - ❖ Pilot kick-off
 - ❖ Detailed SOPs
 - ❖ New analyst training standards
 - ❖ Mistake-proofed documents
 - ❖ Service level agreements with contracting entities

❖ GB will act in a consulting capacity on

- ❖ Implementation
- ❖ Control analysis and reporting activities
- ❖ GoBiz updates



Control Plan

❖ Control System

- ❖ Standard Training Plan – new staff
- ❖ Standard Operating Procedures
- ❖ Monitoring
 - ❖ Post execution audit
 - ❖ Regularly monitor completion times
- ❖ Reaction
 - ❖ Detail how to determine if the process is performing as designed
 - ❖ Adjust to address defects affecting processing times
- ❖ Reporting
 - ❖ Analysis reports posted on Intranet

Additional Benefits

- ❖ Better utilization of State resources
- ❖ Timely services
- ❖ Increase in collaboration and communication
- ❖ Greater understanding by all staff of peers needs/expectations
- ❖ Improved morale
- ❖ Better customer service and satisfaction



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